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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service
Washington 25, D. C.

February 7, 1956

Questions and Answers on the National School Lunch Program ✓

The National School Lunch Act, approved June 4, 1946, provides basic legislation authorizing Federal assistance, in the form of a grant-in-aid program, for school lunch programs on a permanent basis. This Act authorizes annual appropriations to carry out its purposes and objectives. The following questions and answers highlight a number of points respecting the operation of the National School Lunch Program.

1) Question What is the purpose of this program?

Answer To safeguard the health and well-being of the nation's children and to encourage the consumption of nutritious agricultural commodities and other foods.

2) Question How is this done?

Answer By assisting the States through Federal grants-in-aid and other means in providing an adequate supply of foods for the establishment, maintenance, operation and expansion of nonprofit school lunch programs.

3) Question On what basis are Federal grants-in-aid apportioned to the States?

Answer Apportionment of funds is based on the number of children in the State between the ages of 5 and 17 and the need for assistance in the State, as indicated by the relation of the per capita income in the United States to the per capita income in the State.

4) Question What happens if a State cannot use all the funds apportioned to it?

Answer The unused portion of such funds will be reapportioned by the United States Department of Agriculture to the remaining States

in the manner originally prescribed.

5) Question

For what purpose are the grant-in-aid funds used in the State?

Answer

Such funds will be used to reimburse schools for a portion of the cost of obtaining agricultural commodities and other foods for consumption by children in school lunch programs.

6) Question

What contribution must be made by the States?

Answer

Generally, States must provide three dollars for each Federal dollar; however, in the case of a State whose per capita income is less than that of the United States, the matching required for a fiscal year may be decreased by the percentage which the State per capita income is below that of the per capita income of the United States.

7) Question

What comprises State contributions?

Answer

Payments by children for lunches, contributions, payments made specifically for school lunch programs by State, or local government bodies, cash income from other sources and the reasonable value of donated goods and services exclusive of commodities donated by the Federal government (but not the cost or value of land or the acquisition, construction or alteration of buildings).

8) Question

What schools are eligible to participate in the program?

Answer

Any public or nonprofit private school of high school grade or under may be considered eligible, provided it is determined that Federal assistance is necessary in order that the program sponsor may operate an adequate program, supplying lunches without cost or at reduced cost to children who are determined by local school authorities to be unable to pay the full cost of the lunch.

(In States where the State Educational Agency is not permitted

by law to disburse funds to nonprofit private schools, the USDA enters into agreements directly with such schools.

9) Question Are child care centers eligible?

Answer No.

10) Question Are orphanages and organizations devoted to the care of children eligible for assistance?

Answer Only if such institutions are operating a recognized school and maintain adequate records of foods purchased and lunches served under the Agreement.

11) Question Who can sponsor a school lunch program?

Answer Usually the governing agencies of schools sponsor the program in their school. However, nonprofit agencies, such as PTA, civic groups, etc., may act as sponsor if a responsible official of the particular school authorizes them to do so.

12) Question What are the sponsor's responsibilities?

Answer The sponsor is legally responsible for seeing that the terms of the Agreement are met, such as seeing that the necessary food is bought and properly stored, that the right amounts and kind of food are served, that each child may have a lunch, regardless of his ability to pay, and that there is no discrimination between paying and non-paying children. The sponsor must keep adequate records on the operation of the program.

13) Question What are the lunch types and maximum rates of payment for them?

Answer Type A (maximum reimbursement 9 cents).

This is a complete lunch, sufficient to provide one-third to one-half of the child's daily nutritional requirements.

Type B (maximum reimbursement 6 cents).

This is an incomplete lunch suitable for schools which have

limited cooking and serving facilities and where the meal may be supplemented by food brought from home. Type C (Maximum reimbursement 2 cents).

One-half pint of whole milk as a beverage.

Increased demands on available funds have made it necessary for most States to reimburse participating schools at reduced rates.

14) Question Will schools receive commodities through direct distribution?

Answer Commodities acquired by the Department under its price support and surplus removal programs will be donated to schools upon request and in accordance with their ability to use them in the school lunch program.

15) Question Will the value of government-donated commodities be charged against State allocation of funds?

Answer No. The value of such commodities will be in addition to Federal grants-in-aid.

16) Question Must schools operating under an agreement with a State Agency, individually match Federal funds paid by the State Agency?

Answer No such requirement is contained in the Act or the standard State Agreements; however, there is nothing in either of these documents to prohibit the State Agency from including such a requirement in their standard agreement to be taken with the schools.

17) Question Is it permissible for a school to claim reimbursement for a program operating prior to the execution of a contract?

Answer No. Schools operating such a program do so on their own responsibility.

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Questions and Answers on the Special School Milk Program

The United States Congress provided, in the Agricultural Act of 1954, that: "Beginning September 1, 1954, and ending June 30, 1956, not to exceed \$50,000,000 annually of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children in non-profit schools of high school grade and under." This is done through assistance in the form of reimbursement payments to elementary and secondary schools. These reimbursement payments will make it possible for schools to offer milk at reduced prices, and to establish new times of service, and will help defray the cost of distributing milk within the school.

1) Question - Why was the Special School Milk Program initiated by Congress?

Answer To provide a channel of distribution for greater quantities of surplus fluid whole milk by diverting it from the manufacture of dairy products. This is to be done by making a service of milk possible in schools not now serving milk, to encourage a larger percentage of children to drink milk in those schools where milk is now available, and to offer an opportunity to those children now drinking milk to drink more milk if they so desire. The Special School Milk Program also provides another opportunity to assist in local efforts to improve the diets and health of school children.

2) Question What types of schools are eligible to participate?

Answer Any public school of high school grade and under as defined by the Statute of the State or a private school of high school grade and under that is exempt from Federal income tax which operates a food

or milk service on a nonprofit basis. A school of high school grade and under which includes a kindergarten or other pre-first grade classes as a part of its program may receive reimbursement for milk served to children in such classes. Kindergartens or nursery schools operating apart from a regular school system are not eligible unless they fall within the definition of school according to State Statute.

3) Question - What is the rate of reimbursement for 1955-56 school year?

Answer Reimbursement to schools serving Type A or B lunches under the National School Lunch Program will be made for milk purchased for service to children, except that reimbursement will not be made for the first half pint of milk served as part of a Type A or B lunch. The maximum reimbursement rate for such schools will be 4 cents per half pint. For all other schools the maximum reimbursement will be 3 cents per half pint for all milk purchased for service to children.

4) Question - May a school which serves plate lunches but which is not participating in the National School Lunch Program claim the full 4 cents reimbursement

Answer No. Schools which do not participate in the Type A or Type B lunches under the National School Lunch Program are only eligible for a maximum of 3 cents reimbursement on all milk served to children.

5) Question - What is the allowance for within-school distribution costs?

Answer An allowance for handling cost is provided at a rate up to a maximum of 1 cent per half pint in addition to the cost of milk. In extreme cases of necessity, an amount up to 1.9 cents per half pint may be allowed after written justification is presented by the school and is approved by the State educational agency. Handling costs covers such items as straws, napkins, labor, rental or lease payments on refrigerator or vending machine equipment.

6) Question How can a fraction of a cent pricing of milk by the dairy be handled?

Answer If it cannot be eliminated, the difference between the fraction of a cent cost and the next higher whole cent may automatically be used in pricing the milk to children or it may be used in giving combination prices such as two half pints for 5 cents, 5 for 20 cents, etc. The fractional cost of milk might also enter into the justifiable reasons for a within-school handling cost exceeding 1 cent as discussed in the previous item.

7) Question What are the bookkeeping requirements for a participating school?

Answer Participating schools are required to keep such records as are required to determine that the school is operating in accordance with the terms of its agreement with the State educational agency. A participating school is required to keep records of income and expenditures for the food or milk service maintained by the school so that the nonprofit character of such service can be determined. Records also must be maintained to verify the quantity of milk purchased for service to children during each month for which reimbursement is claimed.

8) Question How can milk consumption be increased over that served with meals?

Answer Consumption of milk may be increased by offering extra milk with the lunch or at any other time during the school day or during a school function for children or by further reducing cost to children. Local school authorities are given wide discretion as to how best to increase milk consumption.

9) Question The children in the first and second grades of a school do not seem to be able to consume one half pint of milk at the 2:30 p.m. recess period. Can the school serve these children 4 to 6 ounces of milk?

Answer Yes, there is no requirement under the Special School Milk Program that milk be provided in half-pint servings. It may be served in smaller or larger amounts, however, because reimbursement rates are established on the basis of half pints, in submitting its claim for reimbursement, the school must convert all milk served to the equivalent number of half pints.

10) Question A school wishes to increase consumption by serving milk to children participating in touch football games which are scheduled twice a week after the end of the last class. Is such a milk service eligible for reimbursement under the program?

Answer Yes, milk may be served any time during the regular school day. If athletic or social events held prior to or following class hours are considered by school officials to be part of the regular school day, milk served to children during such periods may be included under the Special School Milk Program.

11) Question A school participating in the Special School Milk Program is now offering milk to children immediately upon their arrival at school each morning. During the winter months the school is planning to serve hot chocolate. Is the additional milk used in preparing the hot chocolate eligible for reimbursement?

Answer Yes, as long as fluid whole milk meeting State or local standards for butterfat content and sanitation is used in preparing the hot chocolate.

12) Question Does the program include chocolate milk?

Answer Yes, if the flavored milk meets the State and local standards for unflavored whole milk as to butterfat content and sanitation.

13) Question Are student operated concessions permissible?

Answer Yes, provided the milk so served is purchased for the account of the school's nonprofit food service and all revenue from the sale of milk through the student concession is turned over to the school's nonprofit food service; and any payment made by the school to the student concession for labor or costs in connection with the service of milk to children shall bear a relationship to the amount of service rendered by the student concession.

14) Question Can dairies include straws or cups in the price of milk to the schools?

Answer No. The cost of milk to the school shall be the actual per half pint straight price of milk only. Cups, straws, etc., shall be considered as part of the 1 cent within-school handling cost allowance.

15) Question How can the dairy aid in school bookkeeping?

Answer This can be accomplished by presenting the school with daily itemized invoices or a monthly statement showing purchases by categories such as half pint, quart and gallon.. This will aid the school in converting all measures to half pints which is required in preparing a monthly claim for reimbursement.



